

## Office of Water News Clips – January 22, 2014

### **BRISTOL BAY: Begich opposition to Pebble mine draws praise, jeers**

#### **Outlet: Greenwire**

Alaska Democratic Sen. Mark Begich's decision to come out against the proposed Pebble copper and gold mining project in the Bristol Bay watershed puts him in a unique political position in his state.

He becomes the only member of the Alaska congressional delegation to oppose the mine, and all the candidates challenging him for re-election to his Senate seat this year also support the project.

Begich's decision came just days after the release of a U.S. EPA watershed assessment that said a mine like Pebble would hurt valuable salmon fisheries and other habitats. Begich followed comments on the mine to local media over the weekend with a formal position statement yesterday.

"I have long been a strong supporter of Alaska's mining industry and believe we must do all we can to support resource development industries that provide family wage jobs for Alaskans and keep our economy strong," Begich said in his statement yesterday. "But years of scientific study has proven the proposed Pebble Mine cannot be developed safely in the Bristol Bay watershed."

Begich added, "Bristol Bay produces half the world's red salmon and supports thousands of fishing jobs and way of life for thousands of Alaskans. Thousands of Alaskans have weighed in on this issue and I have listened to their concerns. Pebble is not worth the risk."

Pebble project opponents -- including fishing advocates, some local tribes and environmental groups -- are cheering Begich for taking a stand.

"Hunters and anglers, guides, lodge and sport-fishing business owners, and others across Alaska and America are grateful for Senator Begich's decision to follow the EPA's clear science and oppose the Pebble mine," said Tim Bristol, Alaska program chief for Trout Unlimited.

Begich, however, did not take a position on whether EPA should veto key permits for the mine before the conclusion of the permitting process, which has yet to begin. Many mine opponents want EPA to halt the proposal as soon as possible.

"If they want to apply for the permit, that's their decision," Begich told Alaska Public Radio.

Pebble LP developers, backed by Northern Dynasty Minerals Ltd., wasted no time expressing their deep displeasure with Begich's decision to express his opposition to their project.

"We are disappointed that Senator Begich has come out against thousands of new jobs, hundreds of millions in state revenue, and potentially billions in economic activity for Alaska," a statement said.

"We also are stunned that an Alaskan Senator supports the EPA -- a federal agency acting unilaterally -- to make decisions about future development on state land in Alaska," Pebble said.

Last week, EPA said the watershed assessment was a scientific rather than policy decision. The agency will now begin weighing how to proceed, said Region 10 Administrator Dennis McLerran, who has jurisdiction over Alaska.

As a result, lobbying on both sides of the issue will likely intensify. This week Sen. Maria Cantwell (D-Wash.), an early Pebble opponent, is holding a rally in Seattle aimed at protecting fishing jobs.

Jason Metrokin, CEO of the Bristol Bay Native Corp., said in a statement, "We look forward to working with the Senator to ensure appropriate protections for Bristol Bay."

Members of Alaska's congressional delegation plus a list of Republicans who want to unseat Begich have focused their comments on EPA's involvement in the development, rather than the project's merits.

"Alaskans are tired of Washington bureaucrats introducing hurdle after hurdle to development in Alaska," said former Alaska Attorney General and former Natural Resources Commissioner Dan Sullivan, who is running for Senate.

"Our natural resources are among our greatest assets, and their responsible development is critical to a continued and promising future for Alaska," he said.

Lt. Gov. Mead Treadwell (R) has made similar statements and is also running for Senate. "We have the ability to create good jobs across our state and protect the environment," his campaign website said. "We need Washington DC to get out of the way and bring decision-making back to Alaska."

In response to Begich's announcement, Treadwell called the senator's statements "premature" and urged him to defend local decision-making. "Mark Begich should be defending that power, not calling down the EPA to interfere," said Treadwell.

However, last month, as the overseer of elections, Treadwell certified that Pebble opponents had collected enough signatures for a ballot initiative to require legislative approval for large-scale mining in the Bristol Bay area.

Pebble opponents, who have aired ads against the mine, have said they will keep up the pressure during the elections. They point to a 2011 poll showing significant support for EPA involvement.

Pebble, however, accuses opponents of waging a misinformation campaign. "[I]t is no secret that there is a substantial difference of opinion regarding the science of EPA's recent Bristol Bay Assessment," the company statement said. "Not many Alaskans think EPA is impartial."

Begich said he is charting a well-worn path. "I agree with other pro-development Alaska leaders such as [former Republican] Senator Ted Stevens and former Governors Jay Hammond [R] and Tony Knowles [D], that Pebble is the wrong mine in the wrong place for Alaska."

## **EARTHQUAKES: Texas regulators say there's little they can do on quakes**

**Outlet: EnergyWire**

State oil and gas regulators here are working with researchers studying a string of earthquakes that may be tied to oil and gas drilling, but they don't have the authority to shut down an operation if they verify a link.

It would take a new state law or new regulations to address the potential link between earthquakes and the injection wells used to dispose of oil and gas waste, Barry Smitherman, chairman of the three-member Texas Railroad Commission, said after hearing from a group of residents who are being shook by earthquakes outside of Azle.

If the ongoing study "finds a link, we need to take a hard look at all these injection wells in this area," Smitherman said.

However, the commission isn't including earthquake protection in its rewrite of the rules for disposal wells. And Smitherman said he hasn't spoken to the operators of the injection wells in the vicinity of the quakes.

Residents from Azle, who have dealt with earthquakes that may be linked to wastewater injection demonstrate outside a meeting of the Texas Railroad Commission, which regulates the state's oil and gas industry.

Smitherman, who is running as a Republican for state attorney general, said the Railroad Commission recently wrote tough standards for oil and gas wells, which Smitherman said showed the commission's commitment to safety.

More than 30 earthquakes have struck since Nov. 1 around Azle, about 20 miles northwest of Fort Worth, and many residents point to the injection wells in the region as a trigger. Research has linked injection wells to earthquakes in Ohio, Oklahoma and other parts of Texas.

About 35 people from Azle attended yesterday's Railroad Commission meeting, and many of them urged the commission to shut down the wells near the earthquakes' epicenter.

Earthquakes have stopped in other parts of the country after injection wells were shut down.

"I would say to you that that's pretty good evidence that the earthquakes are being caused by injection wells," said Marc McCord, with the anti-drilling group Frac Dallas.

"That's about as close as science is going to get -- probability and statistics," he said.

McCord and other activists organized the Austin trip to capitalize on widespread frustration among Azle residents. No injuries have been reported from the tremors, but homeowners have complained about cracked walls and other damage. About 850 people attended a town hall meeting with Commissioner David Porter and commission staff on Jan. 2, and many of them were angry at the state agency's muted

response.

Scientists have known since the 1960s that injecting wastewater into the ground can trigger earthquakes. It's thought that the fluid can lubricate an existing fault, causing it to slip.

Azle sits over the Barnett Shale formation, which is where the oil industry pioneered the use of horizontal drilling and hydraulic fracturing, or fracking, to get oil and gas from tough underground formations.

Fracking itself isn't believed to contribute to earthquakes, but it creates millions of gallons of wastewater, and there has been a corresponding boom in disposal wells.

The commission announced earlier this month that it will hire an in-house seismologist to coordinate with earthquake researchers, and the Texas Legislature has formed a subcommittee to study earthquakes.

Commission staff said they're working with researchers at the U.S. Geological Survey and Southern Methodist University, who have set up instruments to pinpoint the location of the quakes.

The researchers think the epicenters are clustered northwest of Azle, commission staff said.

That's near two injection wells, owned by Exxon Mobil Corp. subsidiary XTO Energy and Houston-based Enervest Ltd. However, the amount of injection at those two wells is lower now than when they first started operating, Smitherman said.

The commission has inspected about a dozen injection wells within 15 miles of Azle, and one of them was closed after an underground leak was discovered. Most of the disposal wells are drilled into the Ellenburger Formation, which is deeper than the Barnett Shale and more than 5,000 vertical feet from the area's underground aquifers.

But the inspections covered only conventional problems associated with oil and gas development -- making sure the wells protect fresh water and adequately contain the fluid, said Gil Bujano, the commission's director of oil and gas operations. The commission can act immediately if it discovers, for instance, that fluid has escaped from the injection zone.

If it took that step, though, the commission would be required to hold a hearing and allow the operator to present evidence -- a process that could take three months, general counsel Lindil Fowler said.

Also, the commission doesn't have authority to investigate surface damage, so it can't legally investigate the reports of cracked walls and other problems, Executive Director Milton Rister said.

The commission's staff have checked out other complaints in Azle, such as reports of oily sheen in water. The commission is waiting on test results from one case, and a homeowner is conducting his own tests in another, staffers said at the meeting. The commission couldn't find evidence in one report and hasn't heard back from residents in two others.

Smitherman compared the complaints about earthquakes to complaints about the dust and truck traffic that are frequently associated with injection wells. The commission has told residents it has no authority to regulate those side issues, and Texas courts have sided with it.

"If we're going to take those into account, then the law's going to need to be changed," Smitherman said.

## **WATER POLLUTION: Media groups condemn lack of transparency over W.Va. spill**

### **Outlet: E&E News PM**

Representatives from the societies of Professional Journalists and Environmental Journalists today decried U.S. EPA and the Centers for Disease Control and Prevention for ducking media questions in the wake of this month's West Virginia chemical leak, warning the agencies that their unresponsiveness risks fraying already-thin public trust in institutions.

In a letter to EPA Administrator Gina McCarthy and CDC Director Thomas Frieden, the two journalism groups urged more accountability for and communication about the science used to clear Mountain State water as safe to drink, among other government decisions made since the chemical leak was discovered Jan. 9. Since the crisis began, they wrote, "government agencies seemed to be evading the news media, and by extension the public."

CDC sowed uncertainty among West Virginia's lawmakers as well as its residents by waiting until a week after the spill to publicly share its rationale for deeming 1 part per million as a safe level for public consumption of the spilled chemical, 4-methylcyclohexane methanol (4-MCHM) -- and for amending its safety declaration three days later with a suggestion that pregnant women avoid drinking the water until 4-MCHM was no longer detectable.

CDC's ultimate dialogue with the media on its reasons for settling on a 1 ppm standard, the two journalism groups wrote, was "incomplete."

The Society of Environmental Journalists blasted EPA's lack of transparency nine months ago in a unique public statement that called it "one of the most closed, opaque agencies to the press," a sea change for an arm of government whose chief once issued a "fishbowl memo" calling for openness.

But today's lament was not limited to EPA and CDC. "Other responsible agencies that owe the public an accounting in this and similar episodes include the Occupational Safety and Health Administration, the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration and the Coast Guard," the journalism groups wrote.

"Unless responsible agencies correct the transparency errors they have committed during this and previous emergencies, the problem will fester and worsen."

The Society of Professional Journalists and SEJ recommended that the agencies install, at a minimum,

around-the-clock press contacts who return reporters' queries within 20 minutes, a system to connect the media with "in-house experts who know the subject at hand," and a policy that prioritizes speaking on the record as opposed to anonymous communications with journalists.

## **New attempt on fracking standards launches**

### **Outlet: San Antonio Express-News - Online**

A hotly debated partnership between major oil and gas companies and some environmental groups moved forward Tuesday, almost a year after it was first announced.

The Pittsburgh-based Center for Sustainable Shale said in a release that it is now accepting applications for a program that aims to enforce tough but voluntary new standards for fracking and other related activities in the Northeast. The CSSD said it has hired Bureau Veritas, a French global testing and inspection firm, to review applications and compliance by drillers.

The Environmental Defense Fund, PennFuture and some other prominent environmental groups are part of CSSD, but others — such as the Sierra Club — have criticized the effort, saying it isn't meaningful and that a voluntary program is no substitute for tough state or federal rules.

But some energy companies, such as Chesapeake Energy, have suggested that there's no need to go beyond existing state regulations, and have said they won't join or support CSSD.

The boom in Marcellus Shale gas drilling in Pennsylvania, West Virginia and Ohio has generated tens of billions of dollars, and reduced energy bills and imports. But it's also led to significant concerns and protests over air and water pollution.

Andrew Place, who has been the CSSD's interim director, welcomed the scrutiny.

"The substance is in the breadth and depth that we're bringing to the oversight" of the industry, he said, calling Bureau Veritas — which was founded in 1828 — "the gold standard" for independent oversight.

Place, who works for EQT Corp., a Pittsburgh energy company, said that the CSSD review will require testing of nearby water wells before and after drilling and noted that the CSSD's new director, Susan LeGros, has extensive experience not only as an environmental lawyer in Philadelphia, but as a former Environmental Protection Agency staff member.

The founding members of CSSD include energy companies Chevron, Shell, EQT and Consol Energy, along with the Clean Air Council, the Pennsylvania Environmental Council, and other environmental groups. The Heinz Endowments provided some startup funding but it's not clear how involved the charity will be in the future.

Curtis Smith, a spokesman for Shell, said the company will apply for CSSD certification in the second quarter of 2014, a process it expects to take six months. Place said he also expects EQT to apply in the

spring, and Chevron and Consol are expected to release more details about their plans later Tuesday.

The certification process is essentially an independent review of each applicant's practices for drilling and environmental protection, measured against the CSSD standards. A firm that passes the review is also monitored for compliance over the next two years, at which point it must go through the review process again.

## **MINING: Watchdogs sound alarm about N.M. gold project**

### **Outlet: Greenwire**

A proposed gold mine in northern New Mexico would squander precious water and generate too much pollution, project foes argue in a new report.

Three watchdog groups -- Earthworks, Fair Jewelry Action and the Turquoise Trail Preservation Trust -- are hoping to stop Santa Fe Gold Corp. from moving forward with an open-pit mine between Albuquerque and Santa Fe in the Ortiz Mountains.

The Ortiz project could produce 874,000 ounces of gold from two open-pit mines and generate more than \$1.3 billion in revenue, the company said last year.

But Earthworks' Pete Dronkers said the mine would create major water problems. "As we cope with horrible drought," he asked, "why are we considering a gold mine that would consume enough water to sustain thousands of people?"

The report combed through company documents and financial statements and compared the Ortiz project with similar mining operations.

The mine may consume enough water to quench the thirst of several thousand New Mexicans every year, the report says. It also warns of acid mine drainage pollution.

The low ore grade, the report adds, means the mine would likely generate significant amounts of waste rock, which could bury a nearby canyon.

"The thought that I could end up selling a wedding ring with gold that turned the Ortiz Mountains into a polluted industrial zone is repulsive," said New Mexico jeweler Marc Choyt, co-founder of Fair Jewelry Action.

Beyond environmental concerns, the report says the mine would scar the Ortiz Mountains and increase truck traffic along the Turquoise Trail.

The Ortiz project is in the early stages of development. As a result, the final mine -- if ever built -- could look much different from current models.

The company says it's been collecting base-line environmental data since last year. CEO Pierce Carson

said last year that executives were also reaching out to people who live near the project area.

"We are encouraged by the initial positive response," Carson said. "The project has the potential to create a significant number of jobs and income for the local community and revenue for local governments."

Carson, in a separate statement last year, boasted about plans for using gravity and flotation techniques for processing the gold to avoid chemical leaching.

"Water also is a sensitive issue, and we propose to employ a dry stacking system for the tailings and thereby reduce water usage by about two-thirds," he said.

The environmental group report, however, expressed skepticism about the mine's statements. It said, "[W]e believe many more questions should be raised regarding the validity of this milling plan."

The report's authors also took aim at the company's shaky finances. Santa Fe Gold announced an operations review last year and stressed the need to boost production of its Summit mine near Arizona.

The Ortiz project is one of numerous gold mining proposals on the drawing board, many of them in nearby Nevada.

The gold projects are among many mining proposals kicking up controversy. This week, for example, a public hearing for PolyMet Mining Inc.'s copper, nickel and platinum project in Minnesota generated significant attention.

And more than 1,000 groups and businesses asked U.S. EPA to block copper and gold mining in the Bristol Bay area of Alaska, following a watershed assessment of potential large-scale mineral extraction.

## **NEW YORK: \$136M plan tackles Hudson River sewage spills**

### **Outlet: Greenwire**

New York officials yesterday announced a \$136 million plan aimed at reducing sewage spills into the Hudson River.

For years, heavy rains caused about 1.2 billion gallons of raw municipal sewage in the Albany, N.Y., area to spill annually into the river. The spills often made the Hudson River unsafe for fishing, swimming and boating.

A new plan would rebuild the aging sewer infrastructure. This will include adding a disinfection system, rebuilding sewage treatment plants in Albany and Rensselaer, reconstructing sewer lines and separating some combined sewer lines.

The goal is to cut spills by 85 percent within the next 15 years, said Joe Martens, state environmental conservation commissioner.



The plan replaces one put forward by U.S. EPA that would have removed a quarter of the spills.

"We were underwhelmed by that plan," said Paul Gallay, president of Hudson Riverkeeper. "This plan takes the capital region from the bottom of the heap to the top of the heap. It is a turning point."

Martens said EPA supports the new proposal.